

Leadership through focused Research



Innovation in support of Health Care

**CELESTIAL
BIOLABS LIMITED**



ANNUAL REPORT 2017-2018

Committed to provide affordable and innovative medicines for healthier life

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. A N Singh (DIN: 01756827)	- Managing Director, Executive & Non Independent
Mr.Amit Kumar Singh (DIN: 01824426)	- Whole time Director & Executive
Dr.D.C. Sastry (DIN: 02682897)	- Independent & Non Executive
Smt.Padma Singh (DIN: 01448915)	- Non Independent & Non Executive

STATUTORY AUDITORS

M/s. B V Swami & Co., Chartered Accountants, Hyderabad - 500 082
(upto the ensuing AGM)

INTERNAL AUDITORS

M/s. Lakshmi Purna & Associates

SECRETARIAL AUDITORS

M/s.GMVDR & Associates, Company Secretaries, Hyderabad – 500 020

BANKERS

State Bank of India, Nacharam Branch, Hyderabad
ICICI Bank, Jubilee Hills Branch, Hyderabad
HDFC Bank Nacharam, Hyderabad

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited.
“Karvy Selenium Tower-B”, Plot No.31&32
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel: +91-40-67162222/33211000,
Email Id: support@karvy.com
Website: www.karvycomputershare.com

REGISTERED OFFICE

Celestial Biolabs Limited
Plot # 59, Road # 12, TSII Tech Park
IDA Nacharam, Hyderabad - 500 076, Telangana
Phone: +91 40 29888003 / 29888004
Email: cs@celestialbiolabs.com
Website:www.celestialbiolabs.com
CIN- L72200TG1997PLC028374

CHAIRMAN'S ADDRESS

Dear Members

We have range of single and multiple herbal and sea based formulations. Clinically validated products provide the details of safety and efficacy. These clinically validated products install sufficient confidence among consumers as they get appropriate value for their money. Celestial plans to have at least 25 clinically validated multiple herbal formulations that can get certification from CCRAS, Ministry of Ayush.

Biophrama scenario and our products

Anti diabetes formulations derived from sea weed extract is clinically tested and patented products. This product is making penetration in Indian market .Anti arthritis and Biovita have already made an established mark in the market .Herbal and Enzyme formulations can also be marketed worldwide by using online platform along with off line present marketing activities, We are moving in synergy by improving our supply chain and also introducing new control measures. We have already started advertising our Lead research product called Cadalmin GAE, Our effort is continuing to establish OTC market for all our products. We shall spread our domestic marketing in another 12 states during the next year

Biopharmaceutical in India and rest of the world has made significant improvement. We are addressing with great care to revamp our business model. Pharma industry shall be able to keep the pace with the good quality products as there is always demand for such quality pharma products. Our most of the products are very effective and we are making every effort to meet the demand. We are developing effective supply chain management by introducing new distributors and stockiest at different places. We are also introducing incentive scheme to stockist sales person in order to increase the volume of sales

The biopharmaceutical market is highly competitive. In order to have a competitive edge, our facility at Biotech park, an integrated facility clubbed with R&D and product development of innovative project shall be the key factor. We will continue to pursue our R&D initiative in peptide, Enzymes and protein and proceed with manufacturing of these products at new facility at SEZ, Biotech park. This will provide us an opportunity to market our products in Domestic and overseas market.

Initiative

Every effort and established processes are in place towards brand building and advertising to handle OTC marketing, We are able to build better volume by Strengthening the manufacturing, marketing and distribution We are in the process of meeting WHO stamping on the premier products and that shall provide us an opportunity to market our products in African and south East Asian countries attracting premier pricing.. Reaching everywhere through C&F and distributors is an difficult proposition and online sales will take us at every corner of India. Feed supplement to cattle's, poultry and fisheries is an major task to us and celestial is continuously trying to improve the reach and increase the range of feed supplements in order to spread the sale of feed supplements across India.

Effective Human Resource

This aspect is a recognized tool to increase productivity. Effective and Quality manpower and their retention is always an challenging task and addressing this task carefully shall increase the productivity. We have taken very careful steps to retain only quality, dedicated and efficient staff. Training courses and sending them to various seminars and symposium shall also be our priority and thus we will ensure professional skill development. We have taken a Person with Company secretary and chartered accountancy qualification and also are in the process of recruiting Business development and Research and developmental professionals

Research initiatives and collaborative effort

Innovation and development cost is becoming more and more and day by day and it needs an optimization effort to reduce the cost..Collaborative research is essential for a company like us so that we can always fulfill our research objective most economically and effectively. We are also developing collaborations with CSIR and ICAR and ICMR and Universities and institutions to develop the Biotech products. Collaborative research projects with these premier research organization shall provide a competitive edge and also increase our learning graph having association with very experienced Research scientists of these prominent institutions.. We are also installing software at each C&F in all the states to make our monitoring and control more effective.ly We are making every effort to complete the remaining work at city and Biotech park facility so that production, supply chain can be improved in order to increase the business volume. CMFRI Kochin association has given us Cadalmin, a great product. Cadalmin efficacy is so high that people suffering from arthritis are getting tremendous relief. Further we are moving to launch a much needed research product to treat diabetes. Lalita college of pharmacy having extremely good animal house and accredited testing facility have been identified as one of the clinical research partner to conduct animal testing for our Ayush approved products.

Value to the shareholders

Shareholders are very important to us. We always keep shares holders interest on priority and would like to ensure all our shares holders shall be benefitted immensely. Increasing the investor wealth is our top priority and we will make rapid progress towards achieving our objective once our capital project is completed. We always address any complaint by shareholders very promptly in order to increase share holders value, we are in the process of reorganizing our research and manufacturing.

Corporate Social responsibility

Good industries need to support social cause. We are providing medicines on avery concessional rate to under privileged and handicap people who cannot afford to buy the expensive medicines. This distribution is being done in villages through AWAKE RESEARCH and SERVICE FOUNDATION, a voluntary and social organization. We are also making effort to buy herbal raw material from farmers driven source directly by giving value to farmers and also ensuring good quality of raw material. There is very good response from farmers to work on contract farming to grow medicinal plants and shall be moving shortly to have such agreement with farmers cooperative society. Developing raw material through contract farming by involving farmers shall be our continuous effort so that farmers can be benefitted.

Acknowledgment

We always appreciate and acknowledge the valuable input and advice from our shareholders, we thank all our shareholders, stake holders, staff and business associates for their continued support and look forward to your valuable advice to achieve our objective at regular interval

Dr A N Singh

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of CELESTIAL BIOLABS LIMITED will be held on Saturday the 29th day of September, 2018 at 10.00 a.m. at the Registered Office of the Company situated at Plot No.59, Road No.12, TSIC Tech Park, IDA, Nacharam, Hyderabad – 500 076 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2018, the Profit & Loss Account for the year ended on that date together with the schedules and annexure thereto and the reports of the Auditors and Directors
2. To appoint a Director in place of Mr.Amit Kumar Singh (DIN:01824426) who retires by rotation, and being eligible offers himself for reappointment.

Special Business

3. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the appointment of M/s. B V Swami & Co, Chartered Accountants, (Firm Regn. No.009151S), Hyderabad as Statutory Auditors of the Company in the casual vacancy caused by the resignation of M/s.Kulasekhar & Co., Chartered Accountants, Hyderabad be and is hereby confirmed and ratified.

FURTHER RESOLVED THAT M/s. B V Swami & Co, Chartered Accountants, Hyderabad shall hold the office of the Statutory Auditors of the Company for a period 5 years from the conclusion of 20th Annual General Meeting until the conclusion of the 25th Annual General Meeting at such remuneration as may be decided by the Board of Directors from time to time.”

4. To consider, and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 62 (1) (C) & Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus & Allotment of Securities) Rules, 2014 and enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to any other regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), and subject to such approvals, consents, permissions and sanctions of all other appropriate and / or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers conferred by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue, allot and deliver 1,75,99,162 (One Crore Seventy Five Lacs Ninety Nine Thousand One Hundred Sixty Two Only) convertible warrants on preferential basis in one or more tranches, convertible into 1,75,99,162 (One Crore Seventy Five Lacs Ninety Nine Thousand One Hundred Sixty Two Only) equity shares (one Equity Share for one warrant issued) of the Company of the face value of Rs.10/- each to the following categories of persons for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with SEBI (ICDR) Regulation, 2009 or other provisions of the law as may be prevailing at the time; provided that the minimum price of the warrants so issued shall not be less

than the price arrived at in accordance with provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

Sl.No	Name of the proposed Allottee	No. of Warrants to be allotted
1	Promoters:	
	I. Dr. Aditya Narayan Singh	37,24,372
	II. Padma Singh	9,35,593
	III. Amit Kumar Singh	25,31,233
	IV. Nitin Kumar Singh	10,18,653
	V. Anita Singh	3,89,311
2	Non Promoters:	
	I. Sachin Jugalkishore Chandak	1,00,000
	II. Shrinivas Shantaram Jawale	2,00,000
	III. Nilesh Mohanbhai Patel	1,00,000
	IV. Balaji Medicom	13,02,154
	V. Deccan Enterprises	14,78,259
	VI. Lakshmi Distributors	16,78,576
	VII. Global Enterprises	15,26,214
	VIII. Deccan Packaging	12,14,227
	IX. Southern Pharmaceuticals	13,00,570
	X. Manjula Eknath Bhoir	1,00,000
Total		1,75,99,162

"RESOLVED FURTHER THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors be and is hereby authorized to issue "Letter of Offer" for offering 1,75,99,162 (One Crore Seventy Five Lacs Ninety Nine Thousand One Hundred Sixty Two Only) convertible warrants on preferential basis in one or more trenches, convertible into 1,75,99,162 (One Crore Seventy Five Lacs Ninety Nine Thousand One Hundred Sixty Two Only) equity shares (one Equity Share for one warrant issued) of the Company of the face value of Rs.10/- each of the company at a price, which shall not be less than the price arrived at in accordance with provisions of Chapter VII of SEBI (ICDR) Regulations, 2009, and that Dr A N Singh, Managing Director be and is hereby authorized to sign the same on behalf of the company and to circulate the same to the identified persons.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (ICDR) Regulation, 2009, shall be 30 days prior to the date of the General Meeting at which the approval of the shareholders in terms of Section 62(1)(C) & section 42 of the Companies Act, 2013 is obtained.

RESOLVED FURTHER THAT

- each warrant be convertible into one equity share can be exercised at any time within a period of 18 months from the date of issue of such Warrants and on such other terms and conditions, subject to SEBI (ICDR) Regulation, 2009, as may be applicable, from time to time.
- In accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, 25% of the consideration payable for the warrants (and the equity shares into which they are converted), shall be paid by the proposed allottees to the Company upon issue and allotment of the warrants
- The amount paid on issue of warrants shall be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.
- Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari passu in all respects with the then existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections as they may deem fit and appropriate and give such directions/instructions as may be necessary to settle any questions, difficulties or doubts that may arise in regard to the offer, issue or allotment of the said securities and with a power to change

the number of warrants hereby created, issued and offered to the person (s) referred above and within the limit mentioned above and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed.”

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution

“RESOLVED THAT pursuant to Sections.13 & 61 and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby accorded for increasing the Authorized Capital of the Company from Rs.29,00,00,000/- (Rupees Twenty Nine Crores only) divided into 2,90,00,000 (Two Crores Ninety Lacs Only) Equity Shares of Rs.10/- (Rupees Ten Only) to Rs.41,00,00,000/- (Rupees Forty One Crores only) divided into 4,10,00,000 (Four Crores Ten Lacs Only) Equity Shares of Rs.10/- (Rupees Ten Only).

“FURTHER RESOLVED THAT the consent of the members be and is hereby accorded for substitution of the following clause V in the place of existing clause V of the Memorandum of Association of the Company.

(V) The Authorized Share Capital of the Company is Rs.41,00,00,000/- (Rupees Forty One Crores only) divided into 4,10,00,000 (Four Crores Ten Lacs Only) Equity Shares of Rs.10/- (Rupees Ten) each with powers to increase or reduce the capital to divide the Capital for the time being into several classes and to attach thereto respectively such rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and consolidate or subdivide the shares and issue shares to higher or lower denominations.

6. To consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED THAT pursuant to the provisions of Section.160 and other applicable provisions if any of the Companies Act, 2013, consent of the members be and is hereby accorded for the appointment of Dr.Ram Bhavani (DIN 08229218) as the Director of the Company w.e.f 29.09.2018.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV & the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, the appointment of Dr Ram Bhavani (DIN 08229218), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 29.09.2018 to 28.09.2023, be and is hereby approved.”

7. To consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED THAT pursuant to the provisions of Section.160 and other applicable provisions if any of the Companies Act, 2013, consent of the members be and is hereby accorded for the appointment of Dr.Padmanabha Rao Amarachinta (DIN 08229256) as the Director of the Company w.e.f 29.09.2018

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV & the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, the

appointment of Dr.Padmanabha Rao Amarachinta (DIN 08229256), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 29.09.2018 to 28.09.2023, be and is hereby approved.”

**For and on behalf of the Board of Directors
For Celestial Biolabs Limited**

Place: Hyderabad
Date: 03.09.2018

**Dr. A N Singh
(Managing Director)
DIN: 01756827**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Member / proxy should bring the attendance slip sent herewith, duly filed in, for attending the meeting.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DPID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
5. Register of Members and Transfer Books of the Company will be closed from 27th September, 2018 to 29th September, 2018 both days inclusive.
6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s. Karvy Computershare Private Limited, "Karvy Selenium Tower-B", Plot No.31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Phone: 040-6716 2222 (Board) Fax: 040-2300 1153, Toll Free: 1800-345-4001.
7. Pursuant to Section 125 of the Companies Act, 2013, all unclaimed refunds of the Public Issue for more than seven years from the date it became due shall be transferred to Investor Education and Protection Fund (the fund). Hence those persons, who have not encashed their refund are requested to encash the same immediately.
8. Shareholders may inspect the documents / certificates referred to in the notice and / or explanatory statement at the Registered office of the company during the business hours on any working day upto the date of AGM.
9. E-Voting: Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Karvy Computershare Private Limited for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on **22nd September 2018** (Cut -off date fixed for this purpose). **The e-voting period will commence at 10.00 a.m. on Wednesday 26th September, 2018 and will end at 5.00 p.m. on Friday 28th September, 2018.** The Company has appointed Mr.G.M.V.Dhanunjaya Rao, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice
10. Members are requested to avail the e-communication facility for receiving the Annual Reports, other communications from the Company, by updating their email IDs with the RTA so as to save paper & the Mother Nature.